Alberta to Alaska Railway

Study Commissioned by the Van Horne Institute

Presented by John Falcetta
President – Alberta Alaska Rail Development Corp

Alberta to Alaska Railway

Legend

- Proposed Alberta to Alaska Railroad (CAN)
- Proposed Alberta to Alaska Railroad (US)
- Proposed Alternative Alignment (CAN)
- Proposed Tok to Valdez via Chitina
- Alaska Railroad
- Alaska Railroad - Under Construction
- CN
- TAPS Pipeline
- State/Provincial Capital
- City/Town/Settlement
- Major Roadway
- Political Boundaries
- Federal Boundary

- Design, Permit, Build & Operate a multipurpose railway from Alberta to tidewater
- Capacity to move commodities, goods people & data (fibre optics)
- Potential to also connect Alaska to lower 48 states
- First Nations engaged will be full partners in the project

Success Factors of A2A

1. **Evidence:** Project design and scope began with VHI study on the project concept

2. **Long term Structure:** First Nations are not just “being consulted” on our project. This will be their project too, through an innovative ownership structure.

➢ We will connect Alberta to tidewater & also connect Nations to the economic activity around them.

3. **Talent:** Team assembled to execute

Van Horne Institute A2A Study

Participants

- Commissioned by Peter Wallis – VHI
- Participants – AECOM, U of Alaska, Michigan Tech, G7G, Shiroco
- Government of Alberta

Purpose of the study

- Government of Alberta asked VHI to determine the feasibility (study level) & the viability of moving bitumen on a purpose built railways
- VHI wanted to explore the possibility of a new mineral supply chain that would be facilitated by a railway
- Business opportunities for First Nations

A2A
ALBERTA TO ALASKA RAILWAY

The Findings

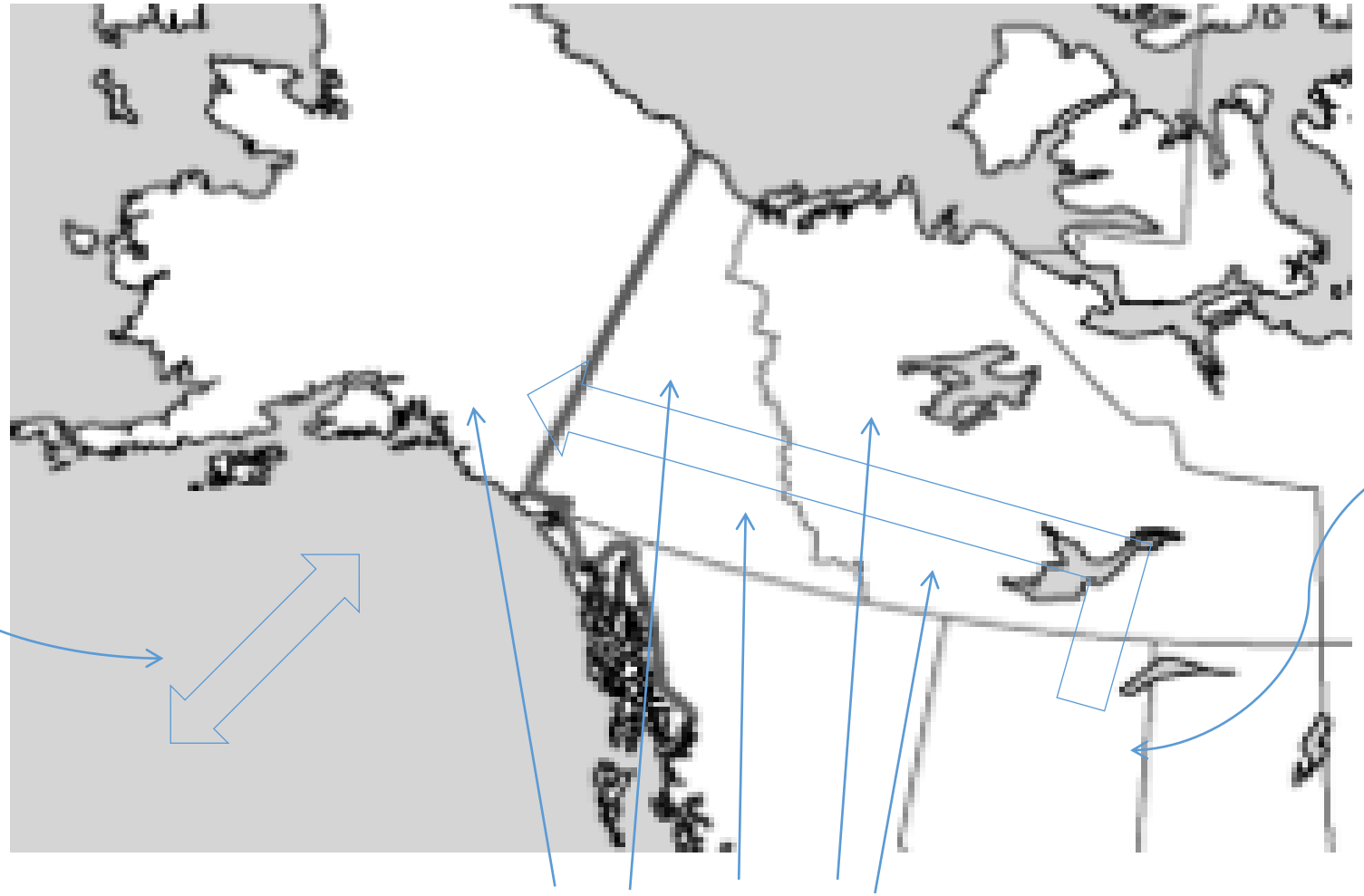
- **Favourable Alignment** was discovered between Fort McMurray Alberta and Delta Junction Alaska, the Trans Alaska Pipeline system TAPS pipeline .

➢ Delta Junction could be a interchange point from Rail to Pipe

- **End point** of Valdez, is one of the worlds safest ports that handles petrochemical
- **Reverse flow of goods** could be moved from the Asia Pacific to Canada or the U.S. as freight could be interchanged to the Alaska Railway utilizing ports in Alaska.

Positive Impacts of the Project: Canadian & US economy improved position to export & import

Additional route into and out of North America



Landlocked commodities can be moved to market

First Nation's real & substantial ownership of a major enterprise

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A2A: Economic & Financial Highlights

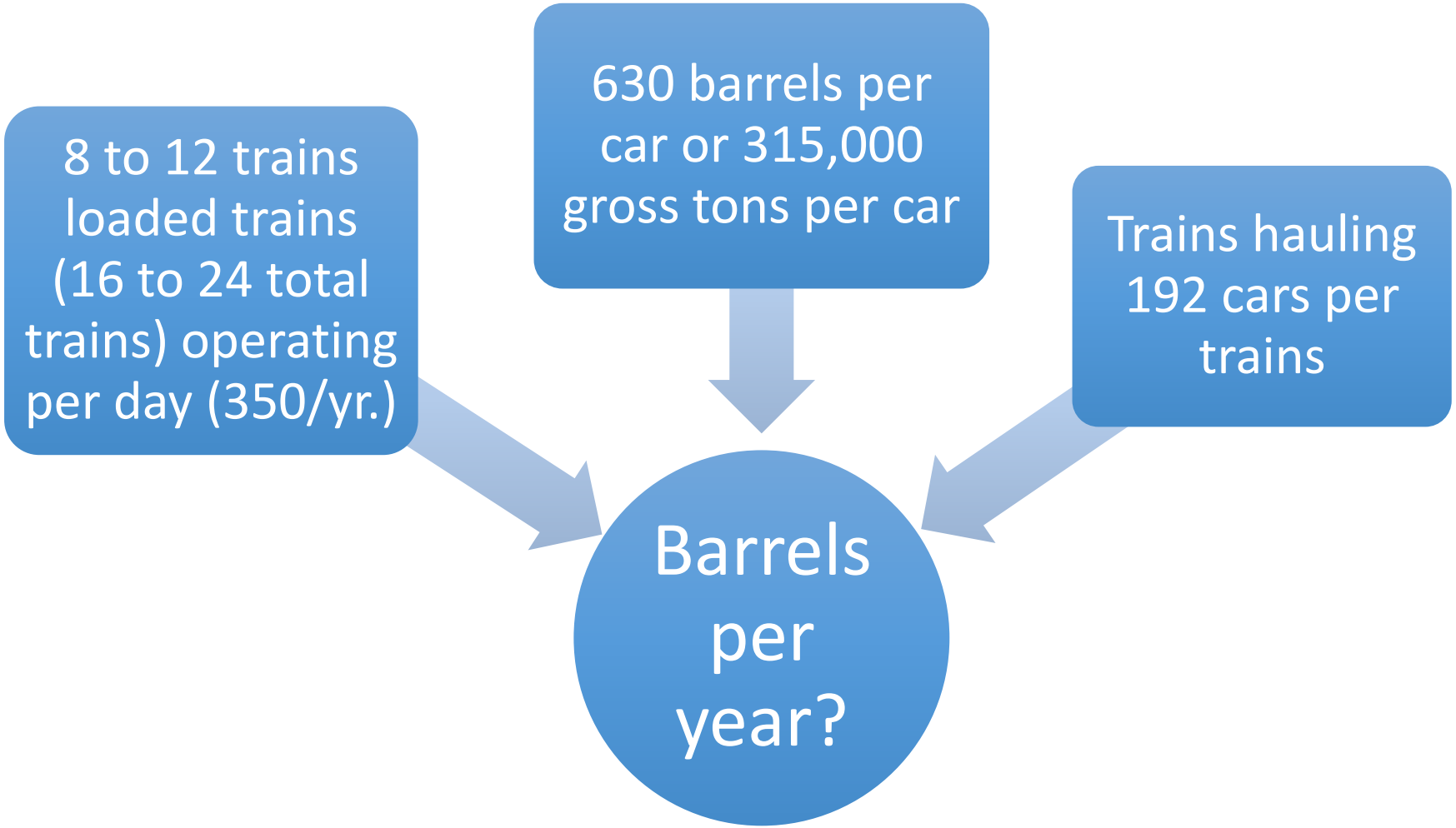
- NPV/barrel : **$8 - $10 a barrel** for the rail portion modelling 1.5 and 1.0 mpbd

- NPV tested using high hurdle of 10.2% - increase capital cost of 50% and operating cost increase of 50% under scenarios of 1 mbp.

- All in capital cost range **$14 Billion - $20 million**

A2A: Operating Highlights

- ✧Utilizing 6 distributed locomotives in train,
- ✧ECP braking, and driver assist technology



Team: Full Project lifecycle experience

- The project team members have a direct proven track record in conceiving and implementing major infrastructure developments

✧John Falcetta

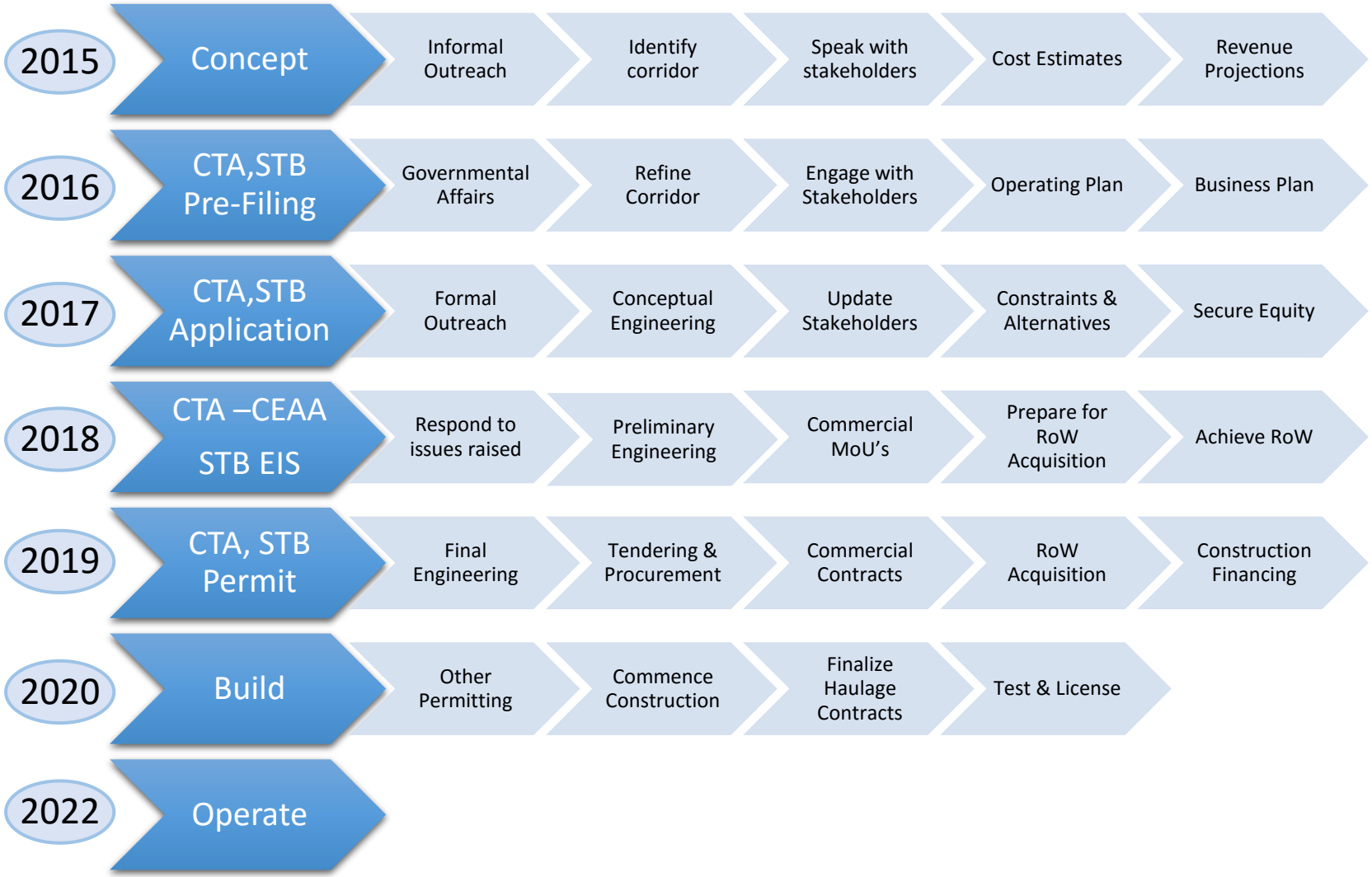
✧Sean McCoshen

✧David Sharpe

✧Mead Treadwell

✧Carole Anne Hilton

A2A Proposed Timeline



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Thank you for your attention

Questions